

HB 2305 with HCA 1 -- INCOMPATIBLE MOTOR FUEL

SPONSOR: Houghton

COMMITTEE ACTION: Voted "Do Pass with Amendments" by the Standing Committee on Civil and Criminal Proceedings by a vote of 7 to 4.

This bill specifies that except in cases of fraud or misrepresentation on the application for coverage, an owner or operator of an underground storage tank may not be denied insurance benefits by the Petroleum Storage Tank Insurance Fund or other provider of financial responsibility solely because the owner or operator's claim comes from a release of a regulated petroleum substance deemed incompatible with the storage tank system.

Any refiner, supplier, wholesaler, distributor, retailer, or other vendor of motor fuel that contains or is blended with any amount of ethanol, biodiesel, or other renewable fuel that complies with labeling and motor fuel quality laws may not be liable for any damages related to a customer's purchase of motor fuel from the vendor as long as the selection of motor fuel was made by the customer and not the vendor. Motor fuel that contains or is blended with a renewable fuel may not be considered a defective product if the fuel complies with motor fuel quality laws.

HCA #1: This amendment specifies that no motor vehicle manufacturer or motor vehicle dealer, including all dealers required to be licensed, except in cases of fraud or misrepresentation, will be liable for any property damages related to a customer's purchase of a motor fuel containing or blended with any amount of ethanol, biodiesel, or another renewable fuel or biofuel from the fuel refiner, supplier, terminal, wholesaler, distributor, retailer, or other vendor of motor fuel if the selection and purchase of the motor fuel was made by the customer and does not comply with specific fuel recommendations found in the vehicle owner manual.

This bill is similar to SB 657 (2016).

PROPONENTS: Supporters say this bill limits liability. This bill attempts to deal with the misfuel issue when a person puts the wrong fuel in their car; not all fuel is compatible with all types of engines. E-15 is permissive in the state of Missouri; this bill simply says if everyone in the chain of supply has complied with their duties and notice requirements, then no one should be liable if the consumer makes a mistake when filling their car with the wrong fuel.

Testifying for the bill were Representative Houghton; Missouri Petroleum Marketers & Convenience Store Association (MPCA); Poet LLC; and the Missouri Corn Growers Association.

OPPONENTS: Those who oppose the bill say they do not feel the provisions in the bill are adequate to protect suppliers from misfueling. There is no provision in the bill that addresses compatibility.

Testifying against the bill were Missouri Petroleum Council -- A Division Of The American Petroleum Institute; Bill Kempker, Freedom Of Road Riders; Tony Shephard, Abate For Missouri; and Joe Widmer.

OTHERS: Others testifying on the bill say they just want to determine where liability will go. Warranties will not apply if you use the wrong fuel in your motorcycle.

Testifying on the bill were Missouri Power Sports Dealers Association and Bill Yeager, Yeager Harley Davidson.